

2012 Howard County Property Tax Report with Comparison to 2011

Legislative Services Agency

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This report describes property tax changes in Howard County between 2011 and 2012. In 2012 tax changes in each county were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. In 2012, for the first time in years, tax bill changes were not affected by statewide policy changes. The big 2008 tax reform was fully phased in by 2011. There were some statewide trends. The effects of the Great Recession lingered in many counties, depressing assessed value growth. Taxes in rural counties were affected by a large increase in farmland assessed values.

In Howard County the average tax bill for all taxpayers increased 3.5%. This tax bill rise was the result of a large 7.7% increase in certified net assessments. The tax levy of all local government units rose by only 0.7%. Net assessed value increased due to big increases in agricultural and business net assessments. A decline in homestead and other residential assessments may have been a legacy of the recession. A net assessed value increase that exceeded the levy rise caused tax rates to fall in almost all Howard County tax districts, which decreased tax cap credits. Credits as a percent of the levy fell substantially, by 3.6%, in Howard County in 2012.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2012	3.5%	\$95,608,640	\$3,662,847,626	4.7%
Change		0.7%	7.7%	-3.6%
2011	-3.0%	\$94,915,602	\$3,402,169,541	8.3%

Homestead Property Taxes

Homestead property taxes decreased 11.4% on average in Howard County in 2012. The county average tax rate fell by 6.4%. Tax rates decreased in all but one of Howard County's tax districts. The percentage of Howard County homesteads at their tax caps fell from 1.6% in 2011 to 0.4% in 2012.

Comparable Homestead Property Tax Changes in Howard County

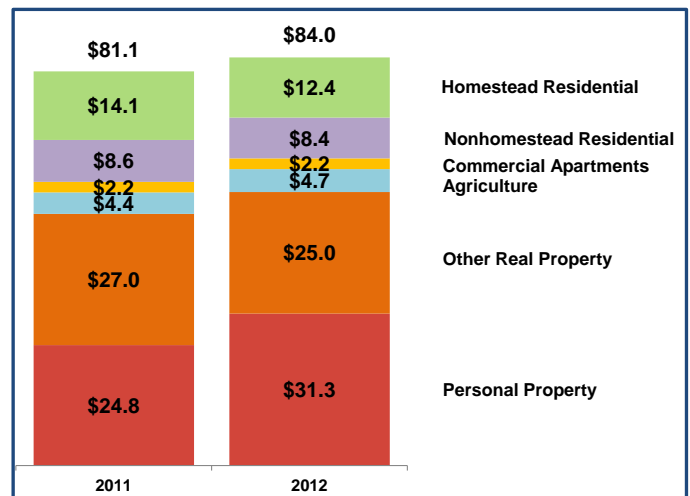
	2011 to 2012	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	1,615	7.0%
No Change	1,136	4.9%
Lower Tax Bill	20,445	88.1%
Average Change in Tax Bill	-11.4%	
Detailed Change in Tax Bill		
20% or More	349	1.5%
10% to 19%	153	0.7%
1% to 9%	1,113	4.8%
0%	1,136	4.9%
-1% to -9%	6,015	25.9%
-10% to -19%	11,011	47.5%
-20% or More	3,419	14.7%
Total	23,196	100.0%

Note: Percentages may not total due to rounding.

Net Tax Bill Changes - All Property Types

The largest part of Howard County's 2012 net property taxes were paid by business owners on their land and buildings (other real) and equipment (personal property). Net tax bills for all taxpayers increased 3.5% in Howard County in 2012. Net taxes were higher for agricultural property and personal property and lower for all other property categories.

Comparison of Net Property Tax by Property Type (In Millions)



Tax Rates, Levies, and Assessed Values

Property tax rates decreased in all but one of the Howard County tax districts. The average tax rate fell by 6.4%, because a small levy increase was offset by a substantial increase in net assessed value.

Levies in Howard County increased slightly by 0.7%. The largest levy increase was in the city of Kokomo, mainly due to an increase in the general fund. The county unit saw significant decreases in the jail lease rental fund and health fund.

Howard County's total net assessed value increased 6.0% in 2012. Business real and personal net assessments rose 11.7%, and agricultural net assessments rose 12.5%. The large increase in agricultural assessed value was due to the 16% increase in the base rate assessment of farmland, from \$1,290 to \$1,500 per acre for taxes in 2012. The large increase in business net AV is due to the expiration of a large amount of personal property abatements. Homestead and other residential net assessed value decreased, which may have been a lingering effect of the Great Recession.

Property Type	Gross AV 2011	Gross AV 2012	Gross AV Change	Net AV 2011	Net AV 2012	Net AV Change
Homesteads	\$2,499,246,247	\$2,449,635,927	-2.0%	\$923,560,488	\$912,899,040	-1.2%
Other Residential	508,774,351	488,803,544	-3.9%	505,486,526	485,373,301	-4.0%
Ag Business/Land	241,576,300	272,194,000	12.7%	240,969,648	271,071,149	12.5%
Business Real/Personal	2,421,554,352	2,358,253,254	-2.6%	1,770,796,718	1,977,449,291	11.7%
Total	\$5,671,151,250	\$5,568,886,725	-1.8%	\$3,440,813,380	\$3,646,792,781	6.0%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Tax Cap (Circuit Breaker) Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

Total tax cap credits in Howard County were \$4.5 million, or 4.7% of the levy. This was less than the state average percentage of the levy of 9.2%, but more than the median value of 3.2% among all counties. Tax rates are the main determinant of tax cap credits, and Howard County's tax rates were above the state average. There were few cap credits for homeowners because of Howard County's large local homestead credit.

Almost all of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the towns of Greentown and Russiaville, where district tax rates were near \$3 per \$100 assessed value. The largest dollar losses were in the city of Kokomo, Kokomo-Center Township Schools, and the county unit.

Tax Cap Credits by Category

Tax cap credits decreased substantially in Howard County in 2012 by \$3.4 million, or 43.0%. The percentage of the levy lost to credits fell by 3.6%. There were no major changes in state policy to affect tax cap credits in 2012. Howard County credits decreased mainly because of large decreases in property tax rates.

Tax Cap Category	2011	2012	Difference	% Change
1%	\$78,291	\$25,764	-\$52,527	-67.1%
2%	5,396,161	4,147,152	-1,249,008	-23.1%
3%	2,368,761	317,153	-2,051,609	-86.6%
Elderly	54,294	14,616	-39,679	-73.1%
Total	\$7,897,508	\$4,504,684	-\$3,392,823	-43.0%
% of Levy	8.3%	4.7%		-3.6%

Howard County Levy Comparison by Taxing Unit

Taxing Unit	2008	2009	2010	2011	2012	% Change			
						2008 - 2009	2009 - 2010	2010 - 2011	2011 - 2012
County Total	133,188,558	93,254,197	95,329,814	94,915,602	95,608,640	-30.0%	2.2%	-0.4%	0.7%
State Unit	106,288	0	0	0	0	-100.0%			
Howard County	20,128,309	17,929,142	18,090,015	19,344,737	17,713,532	-10.9%	0.9%	6.9%	-8.4%
Center Township	1,557,694	1,436,254	1,599,628	1,622,151	1,684,072	-7.8%	11.4%	1.4%	3.8%
Clay Township	36,329	39,595	40,882	42,031	43,184	9.0%	3.3%	2.8%	2.7%
Ervin Township	52,481	54,433	56,526	57,950	57,691	3.7%	3.8%	2.5%	-0.4%
Harrison Township	204,198	196,236	199,219	175,734	208,164	-3.9%	1.5%	-11.8%	18.5%
Honey Creek Township	59,671	49,211	50,159	46,036	46,931	-17.5%	1.9%	-8.2%	1.9%
Howard Township	58,868	61,443	63,729	62,744	61,648	4.4%	3.7%	-1.5%	-1.7%
Jackson Township	19,471	20,221	20,955	20,836	20,008	3.9%	3.6%	-0.6%	-4.0%
Liberty Township	62,365	64,839	67,225	69,056	69,851	4.0%	3.7%	2.7%	1.2%
Monroe Township	30,542	31,717	32,905	33,752	33,648	3.8%	3.7%	2.6%	-0.3%
Taylor Township	183,085	177,167	174,707	170,113	170,641	-3.2%	-1.4%	-2.6%	0.3%
Union Township	29,762	30,898	32,010	27,213	33,914	3.8%	3.6%	-15.0%	24.6%
Kokomo Civil City	35,053,250	33,346,830	34,606,835	35,510,301	36,644,527	-4.9%	3.8%	2.6%	3.2%
Greentown Civil Town	342,492	363,920	377,754	387,936	387,890	6.3%	3.8%	2.7%	0.0%
Russiaville Civil Town	232,724	239,430	247,886	251,558	259,284	2.9%	3.5%	1.5%	3.1%
Taylor Community School Corp	7,416,341	3,709,299	3,448,145	3,378,569	2,967,484	-50.0%	-7.0%	-2.0%	-12.2%
Northwestern School Corp	11,025,537	5,625,590	5,808,605	5,105,129	5,630,706	-49.0%	3.3%	-12.1%	10.3%
Eastern Howard Community School Corp	5,901,499	3,754,277	3,716,276	3,770,309	3,838,068	-36.4%	-1.0%	1.5%	1.8%
Western School Corp	10,665,640	5,318,621	5,587,524	5,135,607	5,270,982	-50.1%	5.1%	-8.1%	2.6%
Kokomo-Center Township Cons School Corp	35,248,041	15,868,325	15,983,560	14,446,215	15,040,771	-55.0%	0.7%	-9.6%	4.1%
Greentown Public Library	233,317	242,675	251,777	258,411	266,361	4.0%	3.8%	2.6%	3.1%
Kokomo-Howard County Public Library	3,863,067	3,990,437	4,143,368	4,250,737	4,386,422	3.3%	3.8%	2.6%	3.2%
Howard County Solid Waste Mgmt Dist	677,587	703,637	730,124	748,477	772,861	3.8%	3.8%	2.5%	3.3%

Howard County 2012 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	LOIT PTRC	Credit Rates					Rate, Homesteads
				COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
34001	Center Township	1.5385	--	--	--	--	38.0184%	--	0.9536
34002	Kokomo City - Center Township	2.9761	--	--	--	--	38.0184%	--	1.8446
34003	Kokomo City - Clay Township	2.9623	--	--	--	--	38.0184%	--	1.8361
34006	Kokomo City - Harrison Township	3.3333	--	--	--	--	38.0184%	--	2.0660
34007	Kokomo City - Howard Township	2.9649	--	--	--	--	38.0184%	--	1.8377
34010	Jackson Township	2.2202	--	--	--	--	38.0184%	--	1.3761
34011	Liberty Township	2.2231	--	--	--	--	38.0184%	--	1.3779
34012	Greentown Town	3.0117	--	--	--	--	38.0184%	--	1.8667
34015	Kokomo City - Taylor Township	3.3619	--	--	--	--	38.0184%	--	2.0838
34016	Union Township	2.2259	--	--	--	--	38.0184%	--	1.3796
34017	Clay Township	1.4710	--	--	--	--	38.0184%	--	0.9117
34018	Ervin Township	1.4908	--	--	--	--	38.0184%	--	0.9240
34019	Harrison Township	1.8675	--	--	--	--	38.0184%	--	1.1575
34020	Honey Creek Township	1.8887	--	--	--	--	38.0184%	--	1.1706
34021	Russiaville Town	2.9063	--	--	--	--	38.0184%	--	1.8014
34022	Howard Township	1.4741	--	--	--	--	38.0184%	--	0.9137
34023	Monroe Township	1.8526	--	--	--	--	38.0184%	--	1.1483
34024	Taylor Township	1.9104	--	--	--	--	38.0184%	--	1.1841

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Howard County 2012 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	25,764	4,147,152	317,153	14,616		4,504,684	95,608,640	4.7%
<i>TIF Total</i>	0	0	0	0		0	0	
<i>County Total</i>	25,764	4,147,152	317,153	14,616		4,504,684	95,608,640	4.7%
Howard County	4,240	675,426	45,885	3,082		728,632	17,713,532	4.1%
Center Township	44	84,758	0	277		85,078	1,684,072	5.1%
Clay Township	0	24	0	31		54	43,184	0.1%
Ervin Township	0	0	0	2		2	57,691	0.0%
Harrison Township	119	2,425	1,461	55		4,059	208,164	2.0%
Honey Creek Township	16	595	0	12		623	46,931	1.3%
Howard Township	0	0	0	7		7	61,648	0.0%
Jackson Township	4	1,244	0	7		1,255	20,008	6.3%
Liberty Township	49	3,692	16	14		3,770	69,851	5.4%
Monroe Township	10	0	0	5		15	33,648	0.0%
Taylor Township	105	1,214	845	23		2,186	170,641	1.3%
Union Township	4	1,540	0	23		1,567	33,914	4.6%
Kokomo Civil City	7,742	1,871,918	143,225	3,746		2,026,631	36,644,527	5.5%
Greentown Civil Town	971	45,696	395	158		47,219	387,890	12.2%
Russiaville Civil Town	540	22,710	0	125		23,375	259,284	9.0%
Taylor Community School Corp	4,295	62,160	43,269	393		110,117	2,967,484	3.7%
Northwestern School Corp	0	3,297	0	976		4,274	5,630,706	0.1%
Eastern Howard Community School Corp	2,387	221,065	758	1,366		225,576	3,838,068	5.9%
Western School Corp	3,542	135,587	67,125	1,200		207,453	5,270,982	3.9%
Kokomo-Center Township Cons School Corp	418	807,899	0	2,180		810,497	15,040,771	5.4%
Greentown Public Library	166	15,342	53	95		15,655	266,361	5.9%
Kokomo-Howard County Public Library	929	161,092	12,120	706		174,846	4,386,422	4.0%
Howard County Solid Waste Mgmt Dist	185	29,470	2,002	134		31,791	772,861	4.1%
TIF - Wildcat Redevelopment Area	0	0	0	0		0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.